

Office of the Chief Financial Officer
Government of the District of Columbia

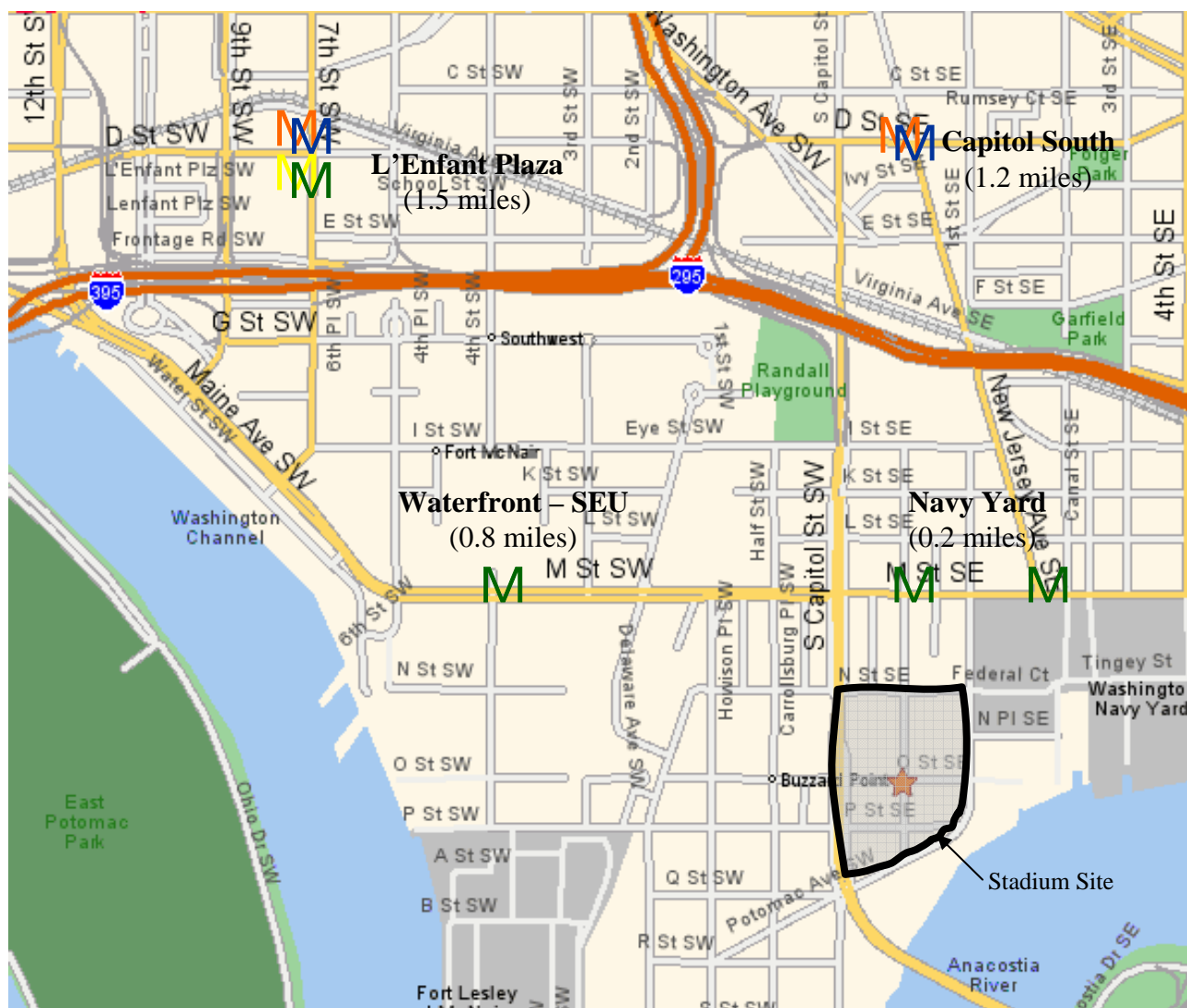
Cost Re-estimation Study for Baseball Stadium
March 2005

- In December 2004, the Council passed the Private or Alternative Stadium Financing and Cost Trigger Emergency Act of 2004.
 - Required the Chief Financial Officer (CFO) to re-estimate the costs to the District for land acquisition and infrastructure and provide a report to the Mayor and the Council by May 15, 2005.
 - If total amount of the re-estimated costs exceeds \$165 million, the primary ballpark site is deemed financially unavailable and the Mayor and the Sports and Entertainment Commission must pursue replacement of the primary ballpark site with a substantially less costly site in the District, subject to approval of Baseball Expos, LP, or its successors.

Requirements of the Act

- Land Acquisition cost re-estimate
 - Separate appraisals of each parcel of land to be acquired
 - Estimate of the environmental remediation costs
 - Legal expenses associated with land acquisition
- Infrastructure cost re-estimate
 - Estimate for basic road and sidewalk improvements
 - Cost of expanding Navy Yard Metro station to accommodate the additional usage anticipated by the stadium
 - Water and sewer relocation costs

Proposed Ballpark Site



Summary of Findings

Summary of Findings	Direct Cost (in millions)	Contingency (in millions)	Total Estimated Cost (in millions)
Property Costs	\$77.1	N/A	\$77.1
Environmental Costs	\$8.0	N/A	\$8.0
Infrastructure Costs*	\$64.3	\$11.9	\$76.2
Total			\$161.35

* The Infrastructure cost estimate includes \$29.4 million for the relocation of a twelve-foot sewer tunnel running under the stadium site. If the Ballpark is designed so that the tunnel does not need to be moved, the cost to protect the tunnel is approximately \$2.3 million, reducing the total infrastructure cost to \$49.1 million, and the total estimated cost to \$134.2 million.

Land Acquisition

- Proposed Ballpark site is situated on approximately 19 acres of land.
 - The District would have to purchase 13.83 acres made up of 63 privately-owned parcels of land.
 - Remaining 5 acres consist of District owned streets and rights-of-way.
- Land appraised at highest and best use as commercial property based on the rezoning of the area without regard to the District's public infrastructure project
 - Eminent Domain
 - "Just compensation" for property taken by the government in a condemnation proceeding is the full money equivalent of the property taken.
 - Courts adopt market value as a rough equivalent of value to the owner.
 - For condemnation purposes, just compensation will not take into account any increase in the value of the land because of the public investment in the stadium.
 - Study included estimates of related indirect expenses such as legal/condemnation costs related to use of eminent domain.
- Cost adjustments for demolition of existing structures and environmental remediation were applied where appropriate.
- Study included estimates to relocate existing businesses.

Land Cost Estimate - Summary

Market Value	\$73.68 million
Condemnation/Legal Cost Estimate	\$2.5 million
Business & Residence Relocation Cost Estimate	\$0.95 million
Total Land Acquisition Cost Estimate	\$77.1 million

Land Cost Estimate - Detail

Unit	Square	Lot	Property Address	Land (SF)	Bldg (SF)	Building Type	Current Use	Market Value
1	702	106	7 N St SE	8,530		Vacant Land	Vacant Land	\$1,169,210
	702	807	N St SE					
	702	808	N St SE					
	702	826	1300 South Capitol St SE					
	702	859	South Capitol St SE					
	702	860	9 N St SE					
	702	861	11 N St SE					
	702	866	South Capitol St SE					
	702	869	N St SE					
2	702	126	1352 South Capitol St. SE	4,376	3,639	Office/Street Level Retail	Unknown	524,020
3	702	852	South Capitol St SE	1,682		Vacant Land	Vacant Land	228,438
4	702	853	South Capitol St SE	1,331		Vacant Land	Vacant Land	180,127
5	702	127	1345 Half St SE	20,070	19,867	Industrial	Night Club	2,458,746
6	702	804	31 N St SE	8,857		Vacant Land	Tow Truck Impound Lot	1,202,255
	702	805	N St SE					
	702	845	25-29 N St SE					
7	702	841	20 O St SE	10,001	14,960	Industrial Warehouse	"Bath House Chain"	1,109,921
8	702	846	1342 South Capitol St SE	17,994	2,944	Aamco	Transmission Repair	2,335,099
9	702	851	South Capitol St SE	3,013		Vacant Land	Vacant Land	449,934
	702	857	South Capitol St SE					
10	702	858	South Capitol St SE	1,345		Vacant Land	Vacant Land	180,281
11	702	854	South Capitol St SE	1,331		Vacant Land	Vacant Land	178,354

Land Cost Estimate - Detail

Unit	Square	Lot	Property Address	Land (SF)	Bldg (SF)	Building Type	Current Use	Market Value
12	702	856	South Capitol St SE	1,331		Vacant Land	Vacant Land	178,354
13	702	855	South Capitol St SE	12,721		Vacant Land	Tow Truck Impound Lot	1,901,189
	702	868	South Capitol St SE					
14	702	37	21 N St SE	5,799	3,500	Single-family Residential & Vacant Land	Single-family Residential & Vacant Land	695,716
	702	38						
	702	39						
15	702	104	3 N St SE	3,072		Vacant Land	Vacant Land	417,982
	702	105	5 N St SE					
	702	867	N St SE					
16	702	806	Half St SE	1,400		Vacant Land	Vacant Land	178,541
17	702	862	13 N St SE	6,371	3,500	Single-family Residential	Single-family Residential	210,159
18	702	863	15 N St SE			Single-family Residential	Single-family Residential	210,159
19	702	864	17 N St SE			Single-family Residential	Single-family Residential	210,159
20	702	865	19 N St SE			Single-family Residential	Single-family Residential	210,159
21	702	79	1315 Half St SE	23,088		Vacant Land	Tow Truck Impound Lot or Junkyard	2,995,967
	702	80	1315 Half St SE					
	702	81	1315 Half St SE					
	702	82	1315 Half St SE					
	702	83	1315 Half St SE					
	702	84	1315 Half St SE					
	702	85	1315 Half St SE					
	702	836	1315-1317 Half St SE					
	702	838	1315 Half St SE					

Land Cost Estimate - Detail

Unit	Square	Lot	Property Address	Land (SF)	Bldg (SF)	Building Type	Current Use	Market Value
22	702	870	Half St SE	36,752	15,595	Industrial Warehouse w/ Office	Large truck repair shop	4,407,569
	702	871	1331 Half St SE					
23	703	5	1338 Half St SE	9,588	16,591	Industrial Warehouse	Artist Studio	999,363
24	703	6	Half St SE	19,176	25,344	Industrial Warehouse	Unknown	2,255,579
	703	7	1326 Half St SE					
25	703	8	1318 Half St SE	9,588	9,340	Industrial Warehouse	Car Repair Shop	1,203,681
26	703	53	60-80 O St SE	67,119		Paved Parking Lot	Paved Parking Lot	9,071,213
27	703	54	1315 1st St SE	53,418	17,329	Industrial Warehouse	Garbage Transition Sub-station	7,100,161
28	703	819	SE	24,651	15,601	Industrial Warehouse	Appears vacant	3,382,914
	703	821	65 N St SE					
	703	822	65 N St SE					
29	704	11	1400-1430 South Capitol St SE	88,595	81,496	Industrial Warehouse	Warehouse/office	10,204,967
30	705	15	60 P St SE	88,100		Asphalt Plant	Asphalt Plant	9,865,002
31	706	802	South Capitol St SE	3,233		Vacant Land	Vacant Land	298,213
32	706	806	31-41 P St SE	57,567	28,176	Industrial Warehouse	Warehouse/office	6,264,294
	706	807	24 Potomac Ave SE					
	706	808	South Capitol St SE					
33	706	809	1522 South Capitol St SE	12,513		Vacant Land	Vacant Land	1,404,871
OVERALL SUMMARY - Land Acquisition Cost Estimate								
Market Value					\$73,682,599			
Add: Condemnation/Legal Cost Estimate					2,500,000			
Add: Business & Residence Relocation Cost Estimate					950,000			
Total Land Acquisition Cost Estimate					\$77,132,599			

Environmental Remediation

- Conducted Phase I Environmental Site Assessment (ESA) in accordance with the requirements of ASTM 1527 – 2000 (American Society for Testing and Materials).
- Phase I ESA typically focuses on current and past uses of the property and the resulting assessment of the “Recognized Environmental Conditions” observed at the site.
- Environmental site assessment was conducted through records review, site reconnaissance, and interviews.
- Total Cost = \$8.0 million

Environmental Cost Estimate - Detail

Economic Unit	Square	Block	Lot	Property Address	Assessed Owner Name	Land (SF)	Bldg (SF)	Estimated Environmental Cost	Soil Contamination Cost Estimate	Remedial Cost Estimate
1	702	1	106	7 N St SE	1352-1354 Corporation	8,530		\$ 4,842	\$ 56,859	\$ 61,701
	702	1	807	N St SE						
	702	1	808	N St SE						
	702	1	826	1300 South Capitol St SE						
	702	1	859	South Capitol St SE						
	702	1	860	9 N St SE						
	702	1	861	11 N St SE						
	702	1	866	South Capitol St SE						
	702	1	869	N St SE						
2	702	1	126	1352 South Capitol St. SE	1352-1354 Corporation	4,376	3,639	\$ 7,027	\$ 29,169	\$ 36,197
3	702	1	852	South Capitol St SE	1352-1354 Corporation	1,682		\$ 3,069	\$ 11,212	\$ 14,281
4	702	1	853	South Capitol St SE	1352-1354 Corporation	1,331		\$ 3,069	\$ 8,872	\$ 11,941
5	702	1	127	1345 Half St SE	Robert Siegel Inc	20,070	19,867	\$ 15,675	\$ 133,781	\$ 149,456
6	702	1	804	31 N St SE	N Street SE Joint Venture LLC	8,857		\$ 16,804	\$ 59,038	\$ 75,843
	702	1	805	N St SE						\$ -
	702	1	845	25-29 N St SE						\$ -
7	702	1	841	20 O St SE	William Cohen Et Al	10,001	14,960	\$ 17,239	\$ 66,664	\$ 83,903
8	702	1	846	1342 South Capitol St SE	Richard A Biggs & Nancy S Biggs	17,994	2,944	\$ 34,878	\$ 119,943	\$ 154,821
9	702	1	851	South Capitol St SE	1316 South Capitol LLC	3,013		\$ 4,842	\$ 20,084	\$ 24,926
	702	1	857	South Capitol St SE						\$ -
10	702	1	858	South Capitol St SE	1316 South Capitol LLC	1,345		\$ 4,842	\$ 8,965	\$ 13,807
11	702	1	854	South Capitol St SE	South Capitol Street JV	1,331		\$ 4,842	\$ 8,872	\$ 13,714
12	702	1	856	South Capitol St SE	South Capitol Street JV	1,331		\$ 4,842	\$ 8,872	\$ 13,714

Environmental Cost Estimate - Detail

Economic Unit	Square	Block	Lot	Property Address	Assessed Owner Name	Land (SF)	Bldg (SF)	Estimated Environmental Cost	Soil Contamination Cost Estimate	Remedial Cost Estimate
13	702	1	855	South Capitol St SE	Donohoe Company Inc	12,721		\$ 18,892	\$ 84,795	\$ 103,687
	702	1	868	South Capitol St SE						
14	702	2	37	21 N St SE	Kenneth B Wyban	1,933		\$ 13,576	\$ 12,885	\$ 26,461
	702	2	38	N St SE	Kenneth B Wyban	1,933		\$ 4,842	\$ 12,885	\$ 17,727
	702	2	39	N St SE	Kenneth B Wyban	1,933		\$ 4,842	\$ 12,885	\$ 17,727
15	702	2	104	3 N St SE	N Street LLC	3,072		\$ 4,842	\$ 20,477	\$ 25,319
	702	2	105	5 N St SE						
	702	2	867	N St SE						
16	702	2	806	Half St SE	Paka Inc	1,400		\$ 4,842	\$ 9,332	\$ 14,174
17	702	2	862	13 N St SE	George J Quinn Sr	6,371		\$ 17,605	\$ 42,467	\$ 60,072
18	702	2	863	15 N St SE	George J Quinn Sr					
19	702	2	864	17 N St SE	George J Quinn Sr					
20	702	2	865	19 N St SE	George J Quinn Sr					

Environmental Cost Estimate - Detail

Economic Unit	Square	Block	Lot	Property Address	Assessed Owner Name	Land (SF)	Bldg (SF)	Estimated Environmental Cost	Soil Contamination Cost Estimate	Remedial Cost Estimate
21	702	3	79	1315 Half St SE	Federal Eagle Associates DC Ltd	23,088		\$ 28,283	\$ 153,899	\$ 182,181
	702	3	80	1315 Half St SE						
	702	3	81	1315 Half St SE						
	702	3	82	1315 Half St SE						
	702	3	83	1315 Half St SE						
	702	3	84	1315 Half St SE						
	702	3	85	1315 Half St SE						
	702	3	836	1315-1317 Half St SE						
	702	3	838	1315 Half St SE						
22	702	3	870	Half St SE	1331 Half Street Corporation	36,752	15,595	\$ 40,816	\$ 244,979	\$ 285,795
	702	3	871	1331 Half St SE						
23	703	2	5	1338 Half St SE	Patricia Ghiglino	9,588	16,591	\$ -	\$ 63,911	\$ 63,911
24	703	2	6	Half St SE	E M Warring	19,176	25,344	\$ 59,144	\$ 127,822	\$ 186,966
	703	2	7	1326 Half St SE						
25	703	2	8	1318 Half St SE	Joseph Lukaesko	9,588	9,340	\$ 47,885	\$ 63,911	\$ 111,796

Environmental Cost Estimate - Detail

Economic Unit	Square	Block	Lot	Property Address	Assessed Owner Name	Land (SF)	Bldg (SF)	Estimated Environmental Cost	Soil Contamination Cost Estimate	Remedial Cost Estimate
26	703	2	53	60-80 O St SE	SE Land Development Association	67,119		\$ 32,918	\$ 447,398	\$ 480,315
27	703	2	54	1315 1st St SE	WSI Acquisition Company	53,418	17,329		\$ 356,070	\$ 356,070
28	703	2	819	SE	RLG Realty Company Inc	24,651	15,601	\$ 35,030	\$ 164,317	\$ 199,347
	703	2	821	65 N St SE						\$ -
	703	2	822	65 N St SE						\$ -
29	704	3	11	1400-1430 South Capitol St SE	Government Services Inc	88,595	81,496	\$ 176,955	\$ 590,551	\$ 767,507
30	705	1	15	60 P St SE	Roubin Associates LLC	88,100		\$ 1,299,530	\$ 587,252	\$ 1,886,781
31	706	3	802	South Capitol St SE	William T Martin (Square 706 LLC A DC LLC)	3,233		\$ 39,273	\$ 21,550	\$ 60,824
32	706	3	806	31-41 P St SE	Schroff Real Estate Co	57,567	28,176	\$ 291,521	\$ 383,727	\$ 675,248
	706	3	807	24 Potomac Ave SE						
	706	3	808	South Capitol St SE						
33	706	3	809	1522 South Capitol St SE	William LP Genstar Stone Products	12,513		\$ 67,758	\$ 83,408	\$ 151,166
34						251,324			\$ 1,675,260	\$ 1,675,260
Totals						853,936		\$ 2,310,525	\$ 5,692,115	\$ 8,002,640

Infrastructure Improvements

- Scope of infrastructure improvements determined through coordination with various agencies currently providing utility service and roadway access to the site.
- Estimate includes costs related to:
 - site utilities
 - sewer tunnel relocation/protection
 - roadway improvements
 - Navy Yard Metro Rail Station improvements
- Estimate includes a contingency for unforeseen costs related to infrastructure improvements.
- The infrastructure cost assumes the relocation of the sewer tunnel at \$29.4 million.
 - It may be possible that the Ballpark can be designed such that the tunnel does not have to be removed.
 - The cost to protect the tunnel in lieu of relocation is estimated to be \$2.3 million.
 - Total cost of infrastructure improvements without tunnel relocation would be \$49.1 million.
 - Total estimated costs for land acquisition, environmental remediation and infrastructure would be \$134.2 million.

Infrastructure Improvements - Detail

Description	Cost Estimate
<p><u>Site Utilities</u> – Inspection, testing, removal and the relocation of existing utilities on the footprint of the proposed site:</p> <p style="text-align: right;">Water, Gas and Storm Drainage: \$3,201,074</p> <p style="text-align: right;">Estimated cost provided by PEPCO : \$10,000,000</p> <p style="text-align: right;">Estimated cost provided by Comcast : \$250,000</p> <p style="text-align: right;">Estimated cost provided by Verizon : \$1,500,000</p>	
<p><u>Tunnel Protection</u> – Relocate the tunnel & sanitary sewer lines under the footprint of the Baseball Stadium. If the stadium can be designed so as not to impact the tunnel, the cost to protect the tunnel (in lieu of the relocation costs shown here) is estimated to be \$2,275,207.</p>	\$29,439,421
<p><u>Roadway Improvements</u> – This is typical for Potomac Avenues, N Street and 1st Street up to M Street: demolition & roadway excavation, new sidewalk, new curb & gutter, new street lighting, trees, striping, milling of existing pavement, 2” overlay, and new drainage.</p> <p style="text-align: right;">1st Street SE Improvements (Between Potomac Avenue & M Street) \$5,683,541</p> <p style="text-align: right;">N Street SE Improvements \$3,020,252</p> <p style="text-align: right;">Potomac Avenue SE Improvements \$3,230,710</p>	
<p><u>Navy Yard Metro Station</u> – Improvements per Metro recommendations to accommodate approximately 15,000 passengers/hour, including adding fare gates and extending the mezzanine to accommodate increased passenger flow. Necessary scope of work was provided by WMATA.</p>	\$19,892,647
Infrastructure Total	\$76,217,645

Summary of Cost Re-estimation Study

- Total projected costs of acquiring the land, environmental remediation, and infrastructure improvements are estimated at \$161.4 million
- Includes \$11.9 million in contingency